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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

DEC 1 1998

In the Matter of

Revised Universal Service Worksheet
FCC Form 457

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CC Docket Nos. 97-21, 96-45

COMMENTS

MCI WorldCom, Inc. (MCI WorldCom) hereby files comments in support of the petitions for reconsideration filed by Metrocall, Inc. (Metrocall) and the Personal Communications Industry Association (PCIA) concerning the revised Universal Service Worksheet, Form 457.

Metrocall and PCIA ask the Accounting Policy Division to reconsider the inclusion of line 48 to Form 457, which requires carriers to report charges on end-user bills identified as recovering state or federal universal service contributions in the revenues that must be reported to determine the carrier's federal universal service contribution. Metrocall and PCIA argue that treating amounts billed to recoup universal service costs as revenues will increase the amounts carriers will be required to pay in future contributions, resulting in "upwardly-spiraling costs for carriers" and, ultimately, consumers.¹

¹ Metrocall Petition for Reconsideration at 9. See also, PCIA Petition for Reconsideration at 3.

No. 21-1000-0000
Lig. A.1

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The Division should reconsider the inclusion of line 48 because, in addition to the reasons cited by Metrocall and PCIA, it results in discriminatory treatment among carriers. Specifically, the Commission has allowed local exchange carriers (LECs) to recover their federal universal service assessments by increasing interstate access charges instead of imposing a charge on end-users. Accordingly, the amounts billed by LECs for federal universal service are billed to carriers and, therefore, they are not reported on line 48 or included in determining the LECs' future universal service obligation. All other carriers, however, are "penalized" with an additional universal service obligation when they attempt to collect their federal universal service costs from end users.

Thus, as long as LECs are allowed to recover their federal universal service cost through interstate access charges, the current Form 457 treats billed universal service revenues in a discriminatory manner and, therefore, it should be modified by removing line 48.

Respectfully submitted,

MCI WorldCom, Inc.



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Dated: October 13, 1998

CERTIFICATE OF SERVICE

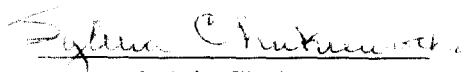
I, Sylvia Chukwuocha, do hereby certify that copies of the foregoing Comments of MCI WorldCom, Inc. were sent on this 13th day of October, 1998, via first-class mail, postage pre-paid, to the following:

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